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JAPAN

Japan Announces New Defense Spending Policy	C	1
Ministry in 'Dilemma' Over N. Korean Defectors	C	2
Japanese, U.S. Officials Conclude SDI Talks	C	3
PRC Vice Premier Tian Jiyun Arrives in Osaka	C	3
Fishing Boat Seized by Soviet Patrol 24 Jan	C	4
France To Supply N-Fuel Reprocessing Technology	C	4
Tamura Announces Continued Car Export Curbs	C	4
U.S. Accuses Japan of Breaking Chip Agreement	C	5
Miyazawa on Need for Currency Stability	C	5
Emperor Officiates at 26 Jan Diet Opening	C	6

NORTH KOREA

South Notified of New Letter To Be Delivered	D	1
CPRF Demands Cancellation of 'Team Spirit'	D	1
KCNA Cites PRC Ministry's Opposition to Exercise	D	3
24 January NODONG SINMUN Denounces 'Team Spirit'	D	4

CAMBODIA

Communique on Central Committee's Fourth Session	H	1
Hun Sen Attends Meeting in Kompong Chhnang	H	1
CGDK Foreign Ministry Spokesman on SRV Proposal [VONADK]	H	2

THAILAND

Envoy to U.S. on Impact of Farm Act [BANGKOK POST 27 Jan]	J	1
Foreign Ministry Defends War Stockpile Policy	J	2
Sitthi on 'Brightening' Ties With Laos	J	3
More Border Points Considered [BANGKOK POST 25 Jan]	J	3
Improved Trade Proposed [THE NATION 27 Jan]	J	4
200 SRV Troops 'Entrenched' on Thai Soil [BANGKOK WORLD 24 Jan]	J	5
Border Forces on 'Full Alert' Near Refugee Camp [BANGKOK WORLD 27 Jan]	J	6

VIETNAM

VNA Rejects 'Fabrication' of Troops in Thailand	K 1
Pham Van Dong Praises Soviet Peace Work	K 1
Army Paper Views U.S. Post-Vietnam Situation	K 3
SRV Leaders Greet Indian National Day	K 5
Indian Envoy Hosts Reception	K 6
Dong Sy Nguyen Attends Meeting	K 6
Pham Hung Letter to Customs Notes Weaknesses	K 7
Van Tien Dung Eulogizes Dinh Duc Thien	K 8

PHILIPPINES

Aquino Assures Coup Situation 'In Hand'	P 1
Ramos Says Situation 'Fully Under Control'	P 1
Situation Update; Hostages Released	P 2
Channel 7 Negotiations Continue	P 3
Rebels Remain Barricaded [AFP]	P 4
NDF Lawyer Says Negotiations 'Cannot Resume'	P 5
[THE MANILA CHRONICLE 25 Jan]	
Diokno Resigns From Government Peace Panel	P 6
Cease-Fire Continues Despite Talks Suspension	P 6
[MANILA BULLETIN 23 Jan]	
Chairman, Members of Human Rights Body Resign	P 8
[THE MANILA CHRONICLE 25 Jan]	
Soviet Envoy Calls on U.S. To Dismantle Bases	P 9
[MANILA BULLETIN 22 Jan]	
Columnists Assail 'Curtailement' of Press [AFP]	P 10
Respect for Press Freedom Reaffirmed	P 11
National Press Club Statement	P 12
[THE NEW PHILIPPINES DAILY EXPRESS 15 Jan]	
Supreme Court Upholds Closure	P 13
[MANILA BULLETIN 16 Jan]	

JAPAN ANNOUNCES NEW DEFENSE SPENDING POLICY

OW241329 Tokyo KYODO in English 1313 GMT 24 Jan 87

[Text] Tokyo, Jan. 24 KYODO -- The government decided Saturday to limit Japan's defense spending to 18.4 trillion yen for the 1986-90 five-year period, thereby setting a new defense spending policy and officially scrapping the decade-old policy of keeping annual defense outlays below 1 percent of gross national product. The stipulated sum, calculated at 1985 prices, is the projected total amount to be spent for the 1986-90 "mid-program," Japan's basic defense buildup policy designed to provide the capability to repel "limited" conventional aggression. However, the decision did not stipulate any specific figure for defense spending after fiscal 1991, merely stating that "the spending is to be set taking the international situation and economic and fiscal conditions into consideration under Japan's basic defense policy as a peaceful nation."

In announcing the new policy, Chief Cabinet Secretary Masaharu Gotoda, the government spokesman, said the 18.4 trillion yen limit would not be reviewed during the five-year period. He also stated:

-- Japan will maintain its purely defensive policy under the peace constitution banning the use of military force to resolve international disputes.

-- Japan will not become a major military power which threatens other countries.

-- Japan will continue to have a moderate defense force independently by ensuring civilian control.

-- Japan will adhere to the three nonnuclear principles banning the production, possession or introduction into Japanese territory of nuclear weapons.

-- The government will honor the policy of maintaining "moderate defense capability" which is the spirit behind the 1976 cabinet decision calling for the 1-percent-of-GNP ceiling.

Gotoda also said in an eight-point statement following the four-article official government decision that the defense spending for each of the five fiscal years, within the total of about 18.4 trillion-yen, is expected to account for "about 1 percent" of projected GNP for each fiscal year.

He was asked if the inclusion of the "about 1 percent" statement, which was not mentioned in the government decision, was meant to deal with the recent concern expressed by Japan's Asian neighbors over Japan's increase in defense spending. Gotoda replied that with regard to defense policy, the government gives top priority to the Japanese people's feelings, considering the nation's freedom and independence, and said Japan should independently decide on its defense policy. He added, however, that the government gives "wide consideration" to other nations, especially neighboring Asian nations and the United States, with which Japan maintains a security treaty.

Chinese senior leader Deng Xiaoping expressed concern earlier this month over Japan's decision, made by Prime Minister Yasuhiro Nakasone's cabinet December 30, to abandon the decade-old "1 percent of GNP" ceiling in the 1987 budget proposal.

The government proposed a 3.5174-trillion-yen defense budget for fiscal 1987, starting in April, still subject to Diet approval, equivalent to 1.004 percent of the projected 1987 GNP.

He said the new policy, adopting a five-year period instead of a single-year ceiling, is "not so far apart" from the previous one in that the government will continue to limit defense expenditure. But he said the basic character of defense spending policy is not compatible with a figure which has lost its meaning (a reference to the 1 percent limit).

Gotoda said the new decision was intended to make Japan's defense spending policy a "logical" one, pointing to criticism of the former policy. He quoted opinions that the "1 percent of GNP" ceiling was "unreasonable," which implied defense cost guidelines should not be based on GNP, which fluctuates every year.

On Saturday evening the government held a meeting of the Security Council, Japan's top civilian body on defense and emergency matters, chaired by Prime Minister Yasuhiro Nakasone, and formally approved the four-point draft of the policy, which had been informally agreed between the government and the executives of the ruling Liberal-Democratic Party on Friday. Deputy Prime Minister Shin Kanemaru, Foreign Minister Tadashi Kuranari, Finance Minister Kiichi Miyazawa, Defense Agency chief Yuko Kurihara, and three other cabinet members took part in the Security Council meeting.

Gotoda said the draft was made taking account of "wide viewpoints" after a series of meetings among cabinet members, government officials and LDP executives. An extraordinary cabinet members' meeting, which followed the Security Council session, officially adopted the draft as Japan's new defense policy for the next five years.

MINISTRY IN 'DILEMMA' OVER N. KOREAN DEFECTORS

OW241241 Tokyo KYODO in English 1058 GMT 24 Jan 87

[Text] Tokyo, Jan. 24 KYODO -- The Foreign Ministry was in a dilemma Saturday over demands from both North and South Korea for the transfer of 11 North Koreans who sailed into a western Japanese port aboard a disabled ship and sought asylum in "a warm country." The group, six males and five females, including four minors, has been under questioning by Japanese authorities since it sailed into Fukui port in Fukui Prefecture on January 20 aboard the 50-ton steel ship Chongjin.

The Koreans said they left Chongjin on North Korea's eastern coast January 14 but the ship developed engine trouble in the Sea of Japan the following day.

North Korea demanded their return, claiming they were en route to Wonsan on the country's eastern coast when their ship was disabled and drifted toward Japan.

South Korea, meanwhile, showed strong interest in the case and insisted that they be turned over to South Korea according to international practice and for humanitarian reasons.

Foreign Ministry officials said the Koreans have not shown their firm will and repeated only that they wanted to go to "a warm country." It is unusual for such a large group of North Koreans to seek asylum in a third country.

Complicating the case is the fact that two Japanese seamen have been detained in North Korea since November 1983 for alleged espionage activities. The family members of the two seamen, the skipper and engineer of the freighter No 18 Maru, have asked Foreign Ministry Tadashi Kuranari to bring about their return to Japan as early as possible.

The Foreign Ministry is determined to resolve the latest issue from the humanitarian standpoint but no concrete steps have yet to be taken, officials said. They said it would take some time to repair the engine of the disabled North Korean ship, which had been towed to nearby Maizuru port from Fukui.

JAPANESE, U.S. OFFICIALS CONCLUDE SDI TALKS

OW240221 Tokyo KYODO in English 0210 GMT 24 Jan 87

[Text] Washington, Jan. 23 KYODO -- Japanese and U.S. Government officials concluded Friday the third round of official working-level talks on Japan's participation in Strategic Defense Initiative (SDI) research with an agreement to continue the negotiations after spring. Makoto Watanabe, deputy director general of the Foreign Ministry's North American Affairs Bureau, told a news conference that both sides agreed during the three-day session that further negotiations were necessary concerning the "formula" of Japanese participation in the "Star Wars" research program.

The Japanese will revisit Washington after April -- around the time when the crucial phase of parliamentary deliberation of the fiscal 1987 budget is over -- for a new round of discussions. Officials of the two nations held talks in October and December last year.

Watanabe refused to disclose details of the just-ended meeting, but it was believed that the two sides discussed protection of secrecy involving the results of SDI research and procedural matters related to the participation in the research program.

PRC VICE PREMIER TIAN JIYUN ARRIVES IN OSAKA

OW250841 Tokyo KYODO in English 0840 GMT 25 Jan 87

[Text] Osaka, Jan. 25 KYODO -- China's Vice Premier Tian Jiyun arrived here Sunday from Oita to visit industrial plants in Osaka and vicinity.

Tian, who arrived for a nine-day Japan tour on January 18, will leave for China Tuesday after visiting Kobe Monday.

FISHING BOAT SEIZED BY SOVIET PATROL 24 JAN

OW271101 Tokyo KYODO in English 1054 GMT 27 Jan 87

[Text] Sendai, Jan. 27 KYODO -- A Japanese fishing boat with a 23-member crew has been in Soviet custody since Saturday, Maritime Safety Agency officials said Tuesday. The officials identified the ship as the No 15 Kyowa Maru, a 349-ton trawler of Iwaki, Fukushima Prefecture.

Two Soviet patrol boats seized the Japanese ship in the northern Pacific 115 kilometers south of Paramushir Island off the Kamchatka Peninsula. Quoting reports from a fellow Japanese fishing boat, the officials said the Kyowa Maru was seized on suspicion of catching Alaska Pollack illegally and for neglecting an order to stop. The officials said the Kyowa Maru was taken to Severo Kurilsk on Paramushir Island.

It is not known whether the Japanese boat violated Soviet territorial waters, they said. The boat left Kushiro port, southeastern Hokkaido.

FRANCE TO SUPPLY N-FUEL REPROCESSING TECHNOLOGY

OW221147 Tokyo KYODO in English 1055 GMT 22 Jan 87

[Text] Tokyo, Jan. 22 KYODO -- Technology for Japan's planned first nuclear fuel reprocessing plant will be obtained from France's Societe Pour les Techniques Nouvelles (SGN), a Japanese company undertaking the project said Thursday. SGN will provide 28 billion yen worth of technological designs possessed by France's Atomic Energy Commissariat (CEA) and the state-operated nuclear authority Cogema, company officials said.

Japan Nuclear Fuels Services, which is majority-owned by a consortium of electric power companies, expects in the near future to conclude contracts procuring the French plant designs plus additional technology from Britain and West Germany, they added.

Construction of the plant, which will reprocess spent nuclear fuel, in Rokkasho village, Aomori Prefecture, northern Japan, is scheduled to begin at the end of fiscal 1990 under the supervision of Mitsubishi Heavy Industries Ltd.

TAMURA ANNOUNCES CONTINUED CAR EXPORT CURBS

OW270915 Tokyo KYODO in English 0910 GMT 27 Jan 87

[Text] Tokyo, Jan. 27 KYODO -- International Trade and Industry Minister Hajime Tamura Tuesday announced Japanese automakers will continue to hold down their car exports to the United States to 2.3 million units in fiscal 1987 beginning in April 1987. Japan has been keeping to the 2.3 million unit export limit in the current fiscal year to remove trade frictions with the U.S. U.S.-bound car export controls have been imposed for the past five years.

U.S. ACCUSES JAPAN OF BREAKING CHIP AGREEMENT

OW241736 Tokyo KYODO in English 0400 GMT 24 Jan 87

[Text] Tokyo, Jan. 24 KYODO -- U.S. negotiators criticized Japan for allegedly failing to abide by an agreement to stop dumping Japanese-made semiconductor chips in third countries in Southeast Asia and Latin America, an official of the Ministry of International Trade and Industry (MITI) said Saturday. The criticism was made during two-day working-level consultations between Japan and the United States, which ended here Saturday, to review implementation of the Bilateral Chief Trade Pact, signed in September 1986, the official said. The official quoted the U.S. negotiators as saying Japan is violating provisions of the Japan-U.S. pact by allowing the marketing of Japanese-made microchips in third countries below fair market value, as calculated by the U.S. Commerce Department.

The two-day working-level talks preceded high-level negotiations, to be held here Wednesday, between deputy U.S. trade representative Michael Smith and MITI's Vice Minister for International Affairs Makoto Kuroda.

In response to U.S. requests made in November and December, MITI tightened export controls to prevent Japanese chipmakers from dumping their products from January 1, the officials said.

The U.S. negotiators also complained that U.S. chipmakers' share in the Japanese market continues to level off at around 10 percent. The official added that the U.S. side did not threaten to scrap the three-month-old semiconductor trade agreement during the working-level negotiations.

MIYAZAWA ON NEED FOR CURRENCY STABILITY

OW260615 Tokyo KYODO in English 0602 GMT 26 Jan 87

[Text] Tokyo, Jan. 26 KYODO -- Finance Minister Kiichi Miyazawa pledged Monday to redouble efforts to stabilize exchange rates in cooperation with other major industrial democracies in order to achieve sustained economic growth led by domestic demand. Addressing a reconvened regular Diet session, Miyazawa said Japan must correct its huge trade imbalance with the rest of the world, while at home the yen's recent rapid appreciation is causing stagnation of economic activity, particularly in the manufacturing sector, leading to serious concern over employment.

He said the greatest task in monetary and fiscal policies is to "secure sustained growth of the economy centered on domestic demand" which would help boost imports and reduce speculative pressure on the yen as well as improve employment. But this requires stability in exchange rates, he said, referring to his hurriedly arranged meeting with U.S. Treasury Secretary James Baker in Washington last Wednesday.

Miyazawa told lawmakers he and Baker agreed at the meeting to cooperate in stabilizing exchange markets. "I intend to seek exchange rate stability through policy coordination with other countries and market intervention at an appropriate time in an appropriate manner," he added.

In another effort to help achieve sustained growth, Japan will step up public works spending under an austere fiscal 1987 budget, Miyazawa continued. In this connection, he cited a planned 5.2 percent increase in the amount of total public works projects -- including those financed by postal savings and other government-controlled funds -- for the new fiscal year, beginning April 1.

The government will also take "appropriate and flexible" measures to shore up economic activity, he said. As an example, he mentioned a 0.5-point cut in the official discount rate to a record low of 3.0 percent in November, the last of four such reductions last year. The Bank of Japan is considering another discount rate cut to prevent the yen's further steep appreciation as well as boost the slowing economy, according to bank sources.

Miyazawa urged the legislature to approve a sweeping tax reform plan featuring major tax cuts and the introduction of a 5 percent sales tax. He also renewed his pledge to push reconstruction of the deficit-ridden state finances. But the goal of terminating deficit-covering bond offerings in fiscal 1990 is widely believed to be impossible to achieve.

EMPEROR OFFICIATES AT 26 JAN DIET OPENING

OW260317 Tokyo KYODO in English 0310 GMT 26 Jan 87

[Text] Tokyo, Jan. 26 KYODO -- Emperor Hirohito officiated the opening ceremony of the Diet Monday with a call for the nation's lawmakers to strive to improve the livelihood of the people and promote peace in the world. In a brief speech from the throne, the emperor first greeted the legislators, saying that "it gives me great pleasure to assemble together with you all" at the outset of the 108th Ordinary Diet Session. The Diet was reconvened Monday following the new year recess, with the opening ceremony staged at the House of Councillors.

"To cope with the present situation at home and abroad, it is extremely important to strive to stabilize and improve the nation's livelihood and realize peace in the world," the emperor said.

"The Diet is the supreme organ of state power, and it is my earnest wish that it will accomplish its mission and answer the trust of the nation," he said.

As in previous years, the Communist Party boycotted the opening ceremony, claiming the emperor's presence violates the Constitution.

SOUTH NOTIFIED OF NEW LETTER TO BE DELIVERED

SK270925 Pyongyang Domestic Service in Korean 0900 GMT 27 Jan 87

[Text] The premier of the State Administration Council and the minister of the People's Armed Forces of the DPRK on 27 January sent the following telephone notice to the prime minister and national defense minister of South Korea. The telephone notice reads:

To No Sin-yong, prime minister of the Republic of Korea [taehan minkuk], and Yi Ki-paek, national defense minister.

We will send two liaison officers to the conference room of the Neutral Nations Supervisory Commission in Panmunjon at 1000 on Wednesday, 28 January 1987, to deliver a letter addressed to you. We want you to send liaison men to pick up our letter.

[Signed] Yi Kun-mo, premier of the State Administration Council of the DPRK.

O Chin-u, minister of the People's Armed Forces

[Dated] 27 January 1987

CPRF DEMANDS CANCELLATION OF 'TEAM SPIRIT'

SK261042 Pyongyang KCNA in English 1018 GMT 26 Jan 87

[Text] Pyongyang January 26 (KCNA) -- The Committee for the Peaceful Reunification of the Fatherland in its statement dated January 26 strongly holds that the U.S. imperialists and the South Korean ruling quarters must unconditionally cancel the plan of "Team Spirit 87" joint military exercises directed against dialogue and peace and refrain from any act aggravating tensions on the Korean peninsula.

Recalling the announcement of the U.S. imperialists and the South Korean puppet clique that they will mobilize in the "Team Spirit 87" joint military exercises covering the period from February 19 to early May vast forces more than 200,000 strong including units in the U.S. imperialist aggression forces in the U.S. mainland and the Pacific, those occupying South Korea and the South Korean puppet Army, the statement says:

Some time ago we put forward a new epochal proposal for holding North-South high-level political and military talks in order to ease the acute tensions on the Korean peninsula and create a favorable situation for peace and peaceful reunification and, for its realisation, sent a letter containing concrete proposals to the South Korean side.

The announcement of the "Team Spirit 87" plan by the U.S. imperialists and the South Korean puppets is an intolerable challenge to these reasonable peace proposal and patient efforts for peace on our part.

The grave situation now prevailing in our country urgently demands that the South Korean authorities accept our new peaceful proposal and sit at the negotiating table with us for the relaxation of tension.

Nevertheless, the South Korean ruling quarters are planning to start a large-scale military racket opposing the fellow countrymen and aggravating tensions in league with outside forces, paying no heed to the important national tasks which should be accomplished by common efforts with the fellow countrymen. It is a monstrous treachery never to be condoned.

By ignoring the peace proposal of nearby fellow countrymen and following the aggressive war policy of the U.S. imperialists far off, they make it self-evident that they are despicable traitors who hold the interests of foreign aggressive forces dearer than the interests of the nation and rather dance to the tune of the power-reeking war trumpet of the outside forces than responding to the generous call of the fellow countrymen.

Since the U.S. imperialists are scheming to stage again aggressive "Team Spirit" joint military exercises against us, we think it proper to sound warnings to the United States, too.

The "Team Spirit" joint military exercises, which the United States plans and commands and in which the U.S. Armed Forces act the main force, is a chief factor aggravating tensions on the Korean peninsula and bringing the situation to the brink of war.

Already long ago we repeatedly proposed negotiation to the United States in order to ease tensions and ensure a durable peace on the Korean peninsula and create preconditions for peaceful reunification and, in recent years, we proposed tripartite talks involving us, the United States and South Korea.

But the United States, shunning these proposals of ours, put forth "North-South direct dialogue" as the precondition.

But, when we initiated North-South dialogues and sat face to face with the South Korean side, the United States, which had so persistently called for "North-South direct dialogues", did not hesitate to bring to suspension multi-channelled North-South dialogues with "Team Spirit" joint military exercises, while laying artificial obstacles in their way and throwing a wet blanket over them.

The United States is planning to stage the "Team Spirit" joint military exercises again at this moment when our momentous proposal to solve problems by holding high-level political and military talks between North and South is on the order of the day. This proves that the "North-South direct dialogue" cried for by them is a lie and, in actuality, they do not want any dialogue.

The U.S. imperialists' scheme to hold the "Team Spirit" joint military exercises in disregard of the dialogue, detente and peace on the Korean peninsula is aimed at keeping hold on South Korea as their colony and using it as an aggressive military base, a nuclear forward base, by occupying it militarily.

The U.S. imperialists and the South Korean puppets intend to drag on the military exercises till early May this year, extending it longer than the previous years. This reveals their strategem to threaten the students and people in spring when the confrontation grows most acute between the democratic and fascist forces in South Korea and, in particular, to block at any cost the massive action of the people in May, the month when the Kwangju uprising broke out.

But the U.S. imperialists and the South Korean puppets must not miscalculate.

They must know that they will get nothing from the war racket, as they can convince no one with the fiction of "threat from the North".

The United States must give up the anachronistic desire to hold on South Korea as its colony indefinitely and go back to its den, taking along its aggressive troops and nuclear weapons.

The South Korean authorities must not oppose their fellow countrymen by joining in the aggressive "Team Spirit" joint military exercises of the U.S. imperialists but promptly respond to our proposal of North-South high-level political and military talks for detente and reunification, they must not commit nation-butchery, suppressing and slaughtering the South Korean students and people, their fellow countrymen, but renounce the anti-communist and fascist moves at once.

If the U.S. imperialists and the South Korean puppets stage the "Team Spirit 87" joint military exercises at all cost, they will have to bear full responsibility for all the consequences arising therefrom.

KCNA CITES PRC MINISTRY'S OPPOSITION TO EXERCISE

SK260455 Pyongyang KCNA in English 0445 GMT 26 Jan 87

[Text] Beijing January 24 (KCNA) -- The spokesman of the Foreign Ministry of China on January 24 pointed to the attitude of China towards the large-scale provocative military exercises "Team Spirit 87" to be started by the U.S. imperialists and the South Korean puppet clique on February 19 with the mobilization of large armed forces over 200,000 strong.

He said:

We consistently consider that the large-scale joint military exercises of the United States and South Korea every year have further aggravated the tense atmosphere on the Korean peninsula and exercised a very adverse effect on the improvement of the relations between the North and the South of Korea and on the solution of the question of Korea's peaceful reunification.

We, therefore, oppose such large-scale military exercises.

24 JANUARY NODONG SINMUN DENOUNCES 'TEAM SPIRIT'

SK241030 Pyongyang Domestic Service in Korean 2147 GMT 23 Jan 87

[NODONG SINMUN 24 January commentary: "A Grave Challenge to Peace"]

[Text] The U.S. imperialists and the South Korean puppets are now about to launch another adventurous military exercise against our people in South Korea. According to an official announcement made simultaneously in Seoul and Washington, the 21th "Team Spirit" joint military exercise will begin in South Korea from 19 February. A great number of troops -- approximately 200,000 -- will be mobilized in this joint military exercise, which reportedly will last through early May. Not only will the U.S. imperialist troops of aggression occupying South Korea and the puppet armed forces be mobilized in this exercise, but also troops of U.S. Army, Air Force, Navy, and Marine Corps stationed in the Pacific as well as the mainland United States, and an aircraft carrier battle group.

In the "Team Spirit" joint military exercises staged every year in South Korea, major operational commands of the U.S. imperialist troops of aggression; combat units of the Army, Air Force, and Navy; the South Korean puppet army units; aircraft carriers; strategic bombers; and missiles and other modern war equipment have been mobilized.

The "Team Spirit" joint military exercises held each year since the first in 1976 have escalated, with the number of participating troops increasing from 46,000 initially to today's near 200,000. The "Team Spirit" joint military exercise, which has been expanded in scale to the largest in the history of military exercises, is a large exercise designed for deliberate and organizational attack against our Republic as well as a nuclear war test exercise.

Because of its criminal nature and danger, "Team Spirit" has been strongly protested and denounced by our people and the world's peace-loving people. Yet, the U.S. imperialists and the puppet South Korean clique have announced plans to stage another joint military exercise again this year. This is an ominous development and, therefore, cannot be condoned or tolerated under any circumstances.

What cannot be overlooked is that the U.S. imperialists and the South Korean puppets announced their plans for war exercises at a time we have put forward a proposal for the high-level North-South political and military talks out of a desire to produce a new breakthrough for peace in and the peaceful reunification of the country, and when we are exerting every sincere effort possible for its realization.

The principal goal behind our proposal for high-level North-South political and military talks is to eliminate the mistrust and confrontation between fellow countrymen, to promote trust and unity, and to prevent war and guarantee peace by discussing and realizing measures designed to eliminate the acute political confrontation between the North and South and measures designed to ease military tension and to hasten reunification by easing the atmosphere of dialogue and negotiation.

Our fellow countrymen in the North and South and the world's peace-loving peoples are now warmly supporting and welcoming our new proposal as an epochal measure for national salvation and as a peace initiative, and are ardently hoping for the talks to take place at an early date. The United States and the South Korean authorities should not conduct the military exercise but should respond to our peace proposal as a matter of course.

Branding the "Team Spirit-87" joint military exercise that the U.S. imperialists and the South Korean puppets plan to stage a dangerous war commotion that threatens peace in Korea and Asia and leads the situation to the brink of war, as well as an intolerable challenge to our reasonable peace proposal for dialogue and peace, we resolutely condemn it.

The "Team Spirit" joint military exercise is a direct product of the U.S. imperialists' aggressive policy toward Korea and Asia. Declaring the Korean peninsula the forefront of U.S. strategy, the U.S. imperialists have turned South Korea into a powder keg and a forward nuclear base introducing into it a large quantity of weapons of mass destruction, including nuclear weapons, while increasing the U.S. troops occupying South Korea and the puppet armed forces. New means to deliver nuclear weapons, including Lance missiles, are being introduced into South Korea -- which has already deployed some 1,000 nuclear weapons -- without interruption. Large-size nuclear storage facilities are also being built.

The puppet South Korean clique is now beefing up its military forces and modernizing their equipment by following the U.S. imperialists' war policy and keeping the frontline and the rear in constant readiness for mobilization by repeatedly staging large-scale war exercises together with the United States, thus whipping up a war fever.

The tense situation created on the Korean peninsula has aroused great concern among all the Korean people, who are thirsting for the country's peaceful reunification, and the world's people, who are aspiring for peace. If the current state of acute standoff is allowed to continue, North-South confrontation will be exacerbated daily and eventually will lead to another war. If war breaks out in Korea, it will inevitably escalate into a global thermonuclear war, thereby inflicting a staggering disaster on our people and mankind, from which it would be impossible to recover.

Nevertheless, the U.S. imperialists and the South Korean puppets, while describing their joint military exercise as a customary defensive exercise and even as something that is regularly conducted, now try to camouflage its aggressive and criminal nature. However, such a sophistry will convince no one. There is no guarantee that such a large-scale war exercise which is to be staged against the background of a vast number of troops and military equipment amassed in areas close to the Military Demarcation Line, will not be transformed into a real war of attacking us at any time.

At a time they are about to fill the air with the reek of powder against us, the U.S. imperialists have once again babbled about an invitation for observation and are now noisily portraying it as an effort to ease tension. This is nothing but a crafty ruse designed to camouflage the aggressive nature of the "Team Spirit" war exercise. Will their invitation for us to come and observe an attack exercise which is being staged with nuclear weapons targeted against our Republic serve as something that eases tension?

Not only is this mockery of us, but it is also a scheme aimed at exacerbating tension. To date the U.S. imperialists have continued propaganda as if it hopes for the relaxation of tension and dialogue on the Korean peninsula. Supporting this, even the persons in authority in South Korea have also babbled as if they were concerned about improving North-South relations by referring to the resumption of dialogue and talks between persons in highest authority.

However, the U.S. imperialists and the Chon Tu-hwan ring have laid bare their intentions that their hitherto lipservice to the ballad of the easing tension and dialogue was a white lie aimed at deceiving public opinion, and that what they are really interested in is to exacerbate tension and lead the situation to the brink of war on the Korean peninsula.

Ignoring our call last year that they stop military exercises, the U.S. imperialists and the South Korean puppets suspended dialogue by forcibly conducting the "Team Spirit" war exercise, the largest ever in history. This year again they are about to kick off a war commotion running counter to our peace proposal, while babbling about the relaxation of tension and dialogue. Are they not ashamed of themselves to say such things?

If the U.S. imperialists really do hope for the relaxation of tension and peace in Korea, they should call off their plan for war exercises without delay and abstain from playing the game of encouraging the puppets to confrontation with us.

If the persons in authority in South Korea are concerned about dialogue as well, they should abandon the game of dancing to the tune of the U.S. imperialists' policy of war running counter to national aspirations and should respond to our proposal for high-level North-South political and military talks without delay.

If the U.S. imperialists and the South Korean puppets start the adventurous game of playing with fire by ignoring our just demand, they will never be able to avoid denunciation from the world's people as the jeopardizer of peace, destroyer of dialogue, and warmonger, and will be held fully accountable for leading the situation in Korea to the brink of war.

COMMUNIQUE ON CENTRAL COMMITTEE'S FOURTH SESSION

BK261404 Phnom Penh Domestic Service in Cambodian 1300 GMT 26 Jan 87

["Press communique on the fourth session of the party Central Committee's fifth mandate"]

[Text] From 23 to 26 January 1987, the fourth session of the party Central Committee's fifth mandate under the chairmanship of Comrade General Secretary Heng Samrin was held in a highly attentive spirit and was concluded successfully.

The meeting listened to a report of the Political Bureau of the party Central Committee on the situation in Cambodia in 1986 and discussed in a lively manner and endorsed decisions on a number of major tasks for 1987. The meeting happily congratulated the success in many fields scored by the entire party, the armed forces, and people in 1986 through perseverance braving all difficulties, courageous struggle, and laborious hard work for the cause of defending and building the fatherland.

The meeting adopted a genuine self-criticism and criticism spirit for the shortcomings and weak points still remaining in a number of sectors. It also proposed measures in an effort to improve past performances to lead our people's revolutionary cause toward further firm advances.

The party Central Committee appeals to the entire party, armed forces, workers, personnel, and people to increase national and international solidarity to brave all trying difficulties and score major successes from the first month of 1987, and to continue to successfully implement the resolutions of the party Central Committee's second session. All levels and sectors should vigorously direct their activities toward localities to better serve the people and combatants. Cadres and party members should heighten their lofty sense of responsibility toward the revolution, the fatherland, and people and should learn new modes of thinking of fraternal parties. They should face realities, practice genuine self-criticism and criticism to overcome shortcomings [words indistinct]. They should increase good experiences from past years and pool all activities toward producing changes to achieve the three revolutionary tasks. They should make use of every opportunity to develop busily and strengthen the real Cambodian revolutionary forces and fulfill successfully the resolutions of the party's fifth congress.

HUN SEN ATTENDS MEETING IN KOMPONG CHHNANG

BK250858 Phnom Penh Domestic Service in Cambodian 0430 GMT 25 Jan 87

[TEXT] A meeting was held at the Political School in Kompong Chhnang Province from 12 to 15 January to sum up the annual achievements in the province.

The participants heard the report on the achievements of the province in 1986 and on work targets for implementation in 1987.

Speaking on that occasion, Comrade Hun Sen, member of the party Central Committee Political Bureau and chairman of PRK the Council of Ministers, clearly underlined the activities and maneuvers of the enemy of all stripes inside and outside the country. The comrade spoke in particular on the three strategic goals set forth by the fifth party congress.

After hearing the addresses and pledges by representatives of the provincial and district units and offices, Comrade Daok Narin, secretary of the provisional party committee of Kompong Chhnang Province, exhorted all participants to apply their knowledge from this meeting to their daily work in their respective localities so as to make Kompong Chhnang Province advance even more rapidly.

CGDK FOREIGN MINISTRY SPOKESMAN ON SRV PROPOSAL

BK240015 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 23 Jan 87

[22 January "confirmation" by CGDK Foreign Ministry spokesman]

[Text] The world's radios, televisions, and newspapers recently carried reports about the Hanoi authorities' proposal, made through President Nicolae Ceausescu of the Socialist Republic of Romania, that the CGDK hold talks with the Vietnamese puppets in Phnom Penh.

The spokesman of the CGDK Foreign Ministry wishes to confirm that Democratic Kampuchean President Samdech Norodom Sihanouk has informed President Ceausescu that the CGDK cannot accept this proposal. The world knows that this proposal is another Vietnamese attempt to fool the world public opinion that the war in Cambodia is an internal war. It aims at burying the fundamental problem, the Vietnamese aggression and occupation of Cambodia. If the CGDK accepts this Vietnamese proposal, it would mean suicide because by so doing, it abandons its status as the sole legitimate government of Cambodia and recognizes the Vietnamese puppets' legitimate right, thus enabling Vietnam to forever occupy Cambodia.

The world people also know well about the CGDK's goodwill to solve the Cambodian problem through political means in accordance with its 3-point peace proposal made on 17 March 1986.

[Dated] Democratic Kampuchea, 22 January 1987

ENVOY TO U.S. ON IMPACT OF FARM ACT

BK270155 Bangkok BANGKOK POST in English 27 Jan 87 pp 1,3

[Text] Thailand should accept that not much can be done to change or withdraw the rice provisions of the Farm Act as it has economic as well as political implications, Thai Ambassador to Washington Asa Sarasin said yesterday.

Ambassador Asa said before returning to the United States that changes of the rice provisions would be very difficult because of next year's presidential election.

"I cannot see what the U.S. Administration can do to solve, change or withdraw the rice provisions of the Farm Act and it seems that they will remain with us for a long time," Mr Asa said.

"It is no longer an economic problem but a political problem," he said.

"As you know, in 1988 there will be a presidential election and once the issue becomes involved with politics it is very difficult to solve."

He said that the United States faces a huge budget deficit, which the Administration is trying to reduce gradually, and President Ronald Reagan refuses to increase taxes.

Ambassador Asa said that the Administration wants to reduce government spending including cuts in subsidies given to farmers for their products.

But since the Democrats control both the House and the Senate they are unlikely to agree to the Administration's proposals.

The problem for the United States at present, he said, is that if they force the price down too much, then they would have to pay more for subsidies.

The effect on Thailand is that we get a lower price for our rice which affects the earnings of our farmers.

Both Thailand and the U.S. would benefit if an agreement could be reached as far as pricing is concerned.

"I have proposed to the Government that the Commerce and Agriculture Ministries should find some measure that we can talk to them about finding a just price that won't create a problem for both countries. We need to have a concrete proposal," he said.

"We have to accept the fact that we cannot go back (on rice) to the same situation as before. We must accept the fact that the U.S. will be able to sell (their rice) while we too will be able to sell our rice," Ambassador Asa said.

Judging from the mood in Congress, Ambassador Asa believes that a new protectionist bill will definitely be proposed this year but it is uncertain at this stage how it will take shape.

The areas of Thai trade which the ambassador says he is worried about include textiles, pipe fittings, steel pipes, and canned tuna.

He said that canned tuna exporters should be aware of the possibility of a move to increase taxes on tuna mixed with water, a product which Thailand exports.

At present there is a 36 percent tax on tuna mixed with oil and a six percent tax on tuna mixed with water.

Ambassador Asa leaves for Los Angeles today where he plans to meet representatives of the Thai community and ask for their help in defending the interests of the country in the U.S. The Thai envoy is also scheduled to meet Thailand's eight consular representatives on February 23 and ask them to organize a meeting with U.S. representatives in their respective states with officials of the Tourism Authority of Thailand, Board of Investment and National Economic and Social Development Board (NESDB).

FOREIGN MINISTRY DEFENDS WAR STOCKPILE POLICY

BK231305 Bangkok Voice of Free Asia in Thai 1030 GMT 23 Jan 87

[Text] Hanoi radio on 19 January slandered the Thai-U.S. agreement on the establishment of the War Reserve Stockpile in Thailand. The Foreign Ministry wishes to make the following clarification:

The Thai-U.S. agreement on the establishment of the War Reserve Stockpile is an agreement between two sovereign states for defensive purposes. The weapons stockpile established per the agreement is not meant as a threat or for the purpose of hostility or aggression against other countries, unlike the Soviet military assistance to Vietnam which is used for aggression and the occupation of Cambodia and for regular violations of Thai sovereignty and territory. It is a fact that, with exception of the Hanoi and Vietnamese mouthpieces [Cambodia and Laos], to date no other countries have criticized the establishment of such a stockpile in Thailand. Thus, it stands to reason that no country should be concerned if it has no intention or policy to threaten or commit aggression against or violate Thailand's sovereignty and territory.

Vietnam has demanded that Thailand enter into a peace and nonaggression agreement with the Indochina countries, claiming that it would be the best way to preserve Thailand's security. In this connection, the Foreign Ministry views such action as a form of coercion which implies that if Thailand wants security it must accept the Vietnamese condition and enter into the said agreement.

The Thai Government and people regard the Thai Kingdom as an independent state which has been capable of protecting and safeguarding its sovereignty and territorial integrity for several centuries through execution of its rational political and diplomatic policies. The fact that Thailand can coexist and cooperate with neighboring countries such as Malaysia and Burma without concern of threats from each other and without nonaggression agreements shows that whether or not a threat or aggression materializes from a neighboring country depends basically on policy or intent; it does not depend on the signing of agreements with a country which has a history of breaking agreements and treaties with other countries.

SITTHI ON 'BRIGHTENING' TIES WITH LAOS

BK241252 Bangkok Domestic Service in Thai 0000 GMT 24 Jan 87

[Text] The Foreign Ministry has instructed officials of provinces bordering Laos to negotiate at the local level to settle any border dispute. Foreign Minister Air Chief Marshal Sitthi Sawetsila granted an interview to reporters of the Public Relations Center Area 1 in Khon Kaen Province after his meeting with senior military and police officers and provincial officials yesterday. He said:

[Begin recording] We have announced that it [Mekong River] is a river of peace. We have asked Laos not to resort to violence. They should not fire at our fishermen. An agreement to this effect has been reached. We also asked Laos to allow us to use the Mekong River. Under an agreement reached during the visit of Khun Arun, our boats can now sail in areas formerly prohibited to us. In the event a border skirmish or anything that could lead to a bigger incident, I have instructed provincial governors not to retaliate. They must hold talks with officials from the Lao side and try to settle the problem while keeping higher echelons informed.

According to the Public Relations Department the transmission power of our television station in Khon Kaen Province is weaker than that of the Lao station. We want to increase the power of our station. Moreover, the microwave system between the border areas and Bangkok is not effective. These complaints from the provincial officials will be further considered since they involve money.

Government agencies concerned must instruct all mass media, particularly in the border areas, to refrain from any criticism of Laos, as the political atmosphere between the two countries is brightening. I told the provincial governors not to reciprocate any Lao criticism. If they speak against us, we should summon them and ask why they are doing so. This is common practice at the Foreign Ministry. When they commented on our war reserve stockpiles, we summoned their charges d'affaires and told him that this is an internal affairs and that we merely want to defend our country. We must tell our people about this. [end recording]

More Border Points Considered

BK250341 Bangkok BANGKOK POST in English 25 Jan 87 p 1

[Text] Nakhon Phanom -- Thailand will consider opening more border checkpoints with Laos if Laotian Deputy Foreign Minister Souban Salitthilat requests them when he visits Bangkok next month, Foreign Minister Sitthi Sawetsila said yesterday.

Referring to a call by Lao authorities for a border checkpoint in their province that would help them sell rice and jungle products to Laos, ACM [Air Chief Marshal] Sitthi said, "We want to sell our rice but we have to think about stability too."

The Foreign Minister, who is on a two-day visit to northeastern border provinces to evaluate relations with Laos since the visit there by a high-level Thai delegation late last year, said that the National Security Council would decide whether to open more border checkpoints if Laos requests them.

ACM Sitthi who met with Internal Security Operations Command (ISOC) and Mekong Patrol Unit officials, said that Phak Mai -- a group of Thai Communists who were trained in Laos and operate in northeastern provinces -- had infiltrated provinces bordering Laos, but was not strong enough to pose a threat.

The authorities, ACM Sitthi said, were reluctant to attack them for fear of harming Thai villagers living close to the border.

The Third Army and provincial authorities, he said, had tried to improve the economy of provinces along the river to undermine Phak Mai's influence.

ACM Sitthi was told that Laos allows its people to grow opium in the north and marijuana in the south of the country.

He said that the drugs, which were planted close to the Thai border, were moved deeper into Laos at Thailand's request during the high-level delegation's visit to Vientiane last year.

The authorities, ACM Sitthi said, were well aware of the Government's desire to improve relations with Laos and had tried their best to avoid conflicts with their neighbour.

Mekong Patrol Unit Chief Captain Kasemsak Phrombut told ACM Sitthi that there have been no major clashes with Laotian troops along the border during the past two months.

However, a Thai river patrol boat was fired on with RPG rockets and sub-machineguns by Laotian troops for no apparent reason while it was patrolling the Mekong River in Khong Chiam District of Ubon Ratchathani Province on Thursday.

Capt Kasemsam said that the patrol boat returned fire, but suffered no casualties in the fight, which was over in two minutes.

ACM Sitthi said that he instructed the authorities to continue to seek better relations with Laos.

Improved Trade Proposed

BK270135 Bangkok THE NATION in English 27 Jan 87 pp 1, 2

[Text] The Thai Government may double the value of goods that local merchants can trade with the Laotians without having to go through the Bank of Thailand, Foreign Minister Sitthi Sawetsila told THE NATION last night.

Sitthi said that the ministry had proposed that the ceiling amount be raised from 20,000 baht for each person each day to 30,000 baht.

But the Finance Ministry is of the view that the amount can be doubled to 40,000 baht.

Sitthi said that another measure that the National Security Council (NSC) is considering is to lift the requirement for exporters and importers to place guarantee with the Thai Government in trading with Laos. The proposal is aimed at promoting bilateral trade with the neighbouring landlocked socialist country.

Trade with Laos is categorized into two -- border trade which requires only permission from the provincial governor having jurisdiction over the border area without a limited amount; and country-to-country trade.

Sitthi also said that the NSC was considering opening more border check-points with Laos to facilitate trade. However he said he expected that the border check-points would be opened on schedules or when there are goods to be transported across the frontier. In other words, it could be permitted on a case-by-case basis.

These measures are now under consideration after the Cabinet approved a drastic cut-back on the 273-item list of strategic goods banned or controlled for exports to the socialist country. The Commerce Ministry has yet to announce the new list which comprises only 61 items of goods, according to Sitthi.

The foreign minister said the Thai ambassador to Vientiane had extended an invitation for Deputy Foreign Minister of Laos Souban [Salitthilat] to visit Thailand next month. "The other side is very happy with the invitation," he added.

He said that he has yet to receive a confirmation on the visiting date from Vientiane. The Laotians have not confirmed the visit because Lao Foreign Minister Phoun Sipaseut had taken ill.

200 SRV TROOPS 'ENTRENCHED' INSIDE THAILAND

BK240856 Bangkok BANGKOK WORLD in English 24 Jan 87 p 32

[Text] More than 200 heavily armed Vietnamese soldiers have crossed the Thai-Kampuchean border and entrenched themselves one kilometre inside Thailand, an informed military source said this morning.

A number of Thai troops have been wounded by anti-personnel mines while trying to dislodge the intruders and a Thai reconnaissance plane fired on early this month while trying to take aerial photographs of the Vietnamese position, the source added.

The Vietnamese are in an area opposite Samlar Chhnganh, at some 15 kilometres north of Ta Phraya District in Prachin Buri Province, and the Second Cavalry Division is now mapping out a plan to repulse the intruders, the source noted.

The disclosure came amid preparations for a visit to the border on Monday by Deputy Prime Minister Thianchai Sirisamphan, formerly Deputy Army Commander-in-Chief.

According to the source, the Vietnamese made the border crossing a few weeks ago after sporadic fighting with resistance forces around Ampil, the former headquarters of the Khmer People's National Liberation Front (KPNLF) that fell during Vietnam's dry season offensive in 1984.

Another military source said the fighting had been underway intermittently since Wednesday and began as an attempt by KPNLF forces to harass Vietnamese troops stationed at Ampil.

The resistance forces had also been ambushing convoys of troops and food from Thmar Puok to Ampil, the source added.

Several Vietnamese shells had fallen into Thailand as a result of the fighting but no one had been injured, the source said.

In a related development, the source said KPNLF leader Son Sann recently paid a quiet visit to his people at Site 2. The prime minister of the anti-Vietnamese coalition government called a meeting of his chiefs-of-staff to map out a strategy to cope with Vietnamese troops during the present dry season, the source added.

BORDER FORCES ON 'FULL ALERT' NEAR REFUGEE CAMP

BK270734 Bangkok BANGKOK WORLD in English 27 Jan 87 p 32

[Text] Ta Phraya -- Thai infantry troops, supported by armoured cars, are on full alert at the border village of Prasat Sabaeng following the shelling by Vietnamese troops of a nearby Kampuchean refugee site yesterday, military sources reported.

The sources said the alert was called because there was a "trend" that the shelling might be repeated in that area, some 15 kilometres north of here.

The situation in the immediate vicinity of Prasat Sabaeng (formerly Sanlo Cha-ngan) remained tense this morning, the on-spot military sources said.

According to these sources, two Thai army rangers and two Kampuchean combatants were killed in the vicinity of Prasat Sabaeng (formerly Ban Sanlo Cha-ngan) yesterday morning.

The fatalities followed a clash near border marker 29, the military sources added.

But the situation at the refugee encampment known as Site 2, located between one to two kilometres from the border and holding a 140,000-strong population, has returned to normal, according to international aid sources.

The incident however has prompted concerned medical units to remain on standby, the sources added.

An official of the International Committee of the Red Cross said total of eight persons wounded in yesterday's shelling incident received treatment at the field hospital at Khao I Dang.

They included five adults and three children, he added.

The shelling began at about 9.30 a.m. with about five rounds falling two kilometres inside Thai territory, military sources said.

The shelling ceased around midday after Thai troops fired some warning to a Vietnamese outpost.

VNA REJECTS 'FABRICATION' OF TROOPS IN THAILAND

OW261556 Hanoi VNA in English 1538 GMT 26 Jan 87

["Fabrication Rejected" -- VNA headline]

[Text] Hanoi VNA Jan. 26 -- According to foreign sources, on Jan. 25, 1987, a spokesman of the Thai Army said that 200 Vietnamese troops who had crossed the Kampuchean border a month ago were still inside the Thai territory, about one kilometre inside the border of Prachinburi.

VIETNAM NEWS AGENCY is authorized to completely reject the above-mentioned fabrication.

PHAM VAN DONG PRAISES SOVIET PEACE WORK

OW241559 Hanoi VNA in English 1507 GMT 24 Jan 87

["Chairman Pham Van Dong's Interview With Soviet Television" -- VNA headline]

[Text] Hanoi VNA Jan 24 -- Chairman of the Council of Ministers Pham Van Dong has granted the following interview to the Soviet television:

Question: Could you please tell us about Vietnam's appreciation of the Soviet Union's peace initiatives in 1986 aimed at stopping the arms race and consolidating peace on earth?

Answer: 1986 is a year of seething and bitter struggle of the peace and progressive forces across the world against the danger of a nuclear war and for a durable peace for all nations. The strong motive force of this struggle is constituted by the noble efforts of the Soviet Union in its persistent struggle for a world without nuclear weapons and without violence in international relations. The January 15, 1986 statement of Soviet party General Secretary Mikhail Gorbachev on a comprehensive programme aimed at completely eliminating nuclear arms and other mass extermination weapons before the year 2000 has opened a chance and a bright prospect for the whole mankind to live in a peaceful world without war. The Soviet Union has successively put forth extremely important peace initiatives aimed at stopping the arms race on earth, preventing the arms race in outer space and step-by-step completely eliminating nuclear weapons, consolidating peace and developing cooperation in Europe, Asia and the Pacific, and building a comprehensive system of international security. However, over the last year, the warmongering circles in the United States have adopted a stubborn stance to oppose the Soviet Union's peace efforts and pursue their crazy arms race in outer space.

A year is not a long time but the peace initiatives of the Soviet Union have developed their broad and profound effect meeting the dearest aspiration of all nations in the present era when the only choice is to defend life on earth and human civilization is the emulation in the economy and style of living in the context of peaceful coexistence and broad international cooperation. [sentence as received] These great initiatives have had a really historic importance and are a strong encouragement for millions of people around the world who are struggling for peace and progress.

The world people are entering the new year with the determination to persevere in the struggle to realize the noble initiative of the Soviet Union, strengthen their coordinated actions, to overcome the obstacles resulting from the U.S. Administration's stubborn adherence to its outmoded policy aimed at gaining military superiority over the Soviet Union and imposing its will on other nations.

History has assigned to the Soviet Union, the Great October Revolution and the Great Lenin, the noble mission of going in the van of the struggle for a durable peace on our planet and for the consolidation of friendship among nations. The practical deeds full of responsibility and the tireless efforts of the Soviet Union so far, particularly in the last year, have vividly shown that the Soviet Union, together with all the peace-loving people the world over, will fulfill this glorious historic mission.

A victim of aggressive wars for 40 years, the Vietnamese people, more than anyone else, deeply cherish peace. Implementing the foreign policy of peace set forth by the 6th C.P.V. Congress, the Vietnamese people are resolved to do their best to consolidate and enhance the friendship and cooperation among nations, especially in Southeast Asia, to make it a zone of peace, friendship and cooperation, thus making worthy contributions to the safeguarding of world peace and security. We fully support the peace initiatives of the Soviet Union and are determined, together with the latter and all the other socialist countries and all peace-loving and progressive forces, to carry on the struggle against the danger of a nuclear holocaust, for life, and for the future and happiness of humankind.

This year, the Soviet people and the whole progressive people will celebrate the 70th anniversary of the Great October Socialist Revolution. It is also the year when the Soviet people, the Vietnamese people, and the people of the other socialist countries and peace-loving people across the world will persistently strive for the ultimate triumph of the cause of peace on our planet.

ARMY PAPER VIEWS U.S. POST-VIETNAM SITUATION

BK240450 Hanoi Domestic Service in Vietnamese 1430 GMT 22 Jan 87

[Article in "recent issue" of QUAN DOI NHAN DAN: "Has the United States Gotten Out of the Post-Vietnam Era?"]

[Text] In his state-of-the-union address inaugurating his first term of office as President of the United States on 20 January 1981, Reagan promised the American people he would lead the United States into the era following the post-Vietnam era. Six years have now elapsed, and Reagan has 2 years left of his second term as President of the United States. Now the question arises as to whether or not he has brought the United States out of the post-Vietnam era.

The United States got out of the Vietnam war following the signing of the Paris Agreement in January 1973, but it was covered with wounds in the social, political, military, and economic fields. Thus, bringing the United States out of the post-Vietnam era means to heal these wounds, make the United States spiritually and physically sound, and bury deeply in the past the Vietnam syndromes with all of their prolonged and serious consequences that have befallen the United States since the end of the Vietnam war.

Talking about the Vietnam syndromes and the Vietnam trauma on the United States, we must mention first of all the spiritual wound -- namely the crisis of confidence in the United States which began on the day U.S. President Johnson staged the farcical Tonkin Gulf incident and used it as an excuse to order the bombing of North Vietnam early in August 1964 and, subsequently, gradually escalate to the decision of sending massive expeditionary U.S. troops to invade South Vietnam. Successive U.S. presidents -- from Johnson to Nixon, Ford, Carter -- were believed to be deceitful presidents by the American public; and the crisis of confidence has persistently eroded the conscience of the United States and become a chronic mental disease.

Upon taking office as President of the United States, Reagan gave first priority to restoring the confidence of the American public in the U.S. national leader. In recent years, through demagogic maneuvers to bolster national chauvinism, Reagan sometimes thought he had built up his prestige among the American public. But in late 1986, two explosive events took place: The Reykjavik summit between the Soviet and the U.S. leaders in October ended in failure due to Reagan's obstinacy in holding on to the SDI program; and the Irangate scandal was exposed in early November. His true nature exposed, Reagan is now found to be superior to his predecessors, being referred to as a supercrook and a nuclear superhawk. The crisis of confidence in the United States, which was still smoldering, has again flared up, threatening to throw Reagan into the dustbin of history as it did Johnson and Nixon. The spiritual wound of the Vietnam war, which has not yet healed, has festered even more deeply and broadly in the psyche of the American public -- victims of the U.S. President's extremely dangerous maneuvers of deception.

Thus, as far as confidence is concerned, the conscience of the American society has continued to writhe in the post-Vietnam era. After having drunkenly and insanely involved themselves for 8 years in the Vietnam war, the Washington ruling circles realized with horror upon getting out of that war that the post-Vietnam era was also an era in which a strategic military balance had been established between the United States and the Soviet Union. With such balance of forces, the United States could start neither a large-scale war nor a limited war, even a low-intensity conflict, without escaping appropriate punitive blows. In order to regain freedom of action and strategic initiative in realizing his new global strategy, Reagan has set forth the goal of wresting back military superiority for the United States, namely to bring the country out of the post-Vietnam era in the military field and back to the pre-Vietnam era. This has been the main effort undertaken by the Reagan administration over the past 8 years in frantically pursuing the arms race with its spearhead being the SDI Star Wars program.

To realize the aforesaid goal Reagan had made use of two levers -- increasing the military budget and stepping up the development of military technology. From \$152 billion in 1981 when Reagan had just entered the White House, the U.S. military budget spiraled up to \$292 billion in 1986. If the Pentagon earmarked \$3.5 billion for weapons research and development in 1980, the amount spent for this purpose increased to \$32 billion in 1985. It is expected that the SDI program will be completed within 20 years at a cost of \$1,500-\$2,000 billion and; some Western military experts even estimate up to \$3,000 billion. The U.S. war chariot is speeding along on the road of nuclear arms race. Nevertheless, entering fiscal year 1986 which started in October 1985, the Reagan administration encountered, first of all, obstacles from the U.S. Congress. Faced with an ever-worsening U.S. economy and with the ever-increasing pressure of American voters, U.S. congressmen of both the Republican and Democratic Parties had to cut back on many items in the draft military budget and showed their determination not to let military expenditures exceed the \$300-billion cap.

The money in Uncle Sam's safe is limited, and so is the capability of U.S. military technology. The absolute weapons the Pentagon is dreaming about and seeking to build have yet to materialize. Meanwhile, world scientific circles have affirmed that the SDI system is not immune to neutralization by the adversary. Obviously, the past 6 years of the Reagan administration have not brought the United States any nearer to the goal of regaining its military superiority.

Today, starting a nuclear war, be it an all-out or limited nuclear war, would mean nuclear suicide to U.S. imperialism, while the Vietnam syndrome is still weighing heavily on the psychology of the American people. Before engaging in a war, -- from an ordinary or limited local war to conflicts at low intensity, the U.S. imperialists always have to carefully weigh and calculate the costs. Recession has its own cycles and laws which the U.S. capitalist economy cannot escape. The developed countries in today's capitalist world are also encountering some definite economic difficulties.

Against such a general background, a series of reports to the U.S. Congress mentioned two main symptoms when speaking of the Vietnam syndrome in the U.S. economy: In the course of the Vietnam war, the United States lost its monopolistic position in the monetary system of the capitalist countries in the world and the U.S. economy proved to be unable to provide both butter and weapons in order to wage a protracted limited war for many years.

Speaking of the economy, time must be mentioned first because time is money. It was mainly during the period from 1965 to early 1973, while the United States was wasting its time with the Vietnam war flame, its allies from Western Europe to Japan considered it a good occasion to compete with it in the world market and even in the U.S. market. As for the trade balance, the United States estimated a deficit of \$172 billion in 1986 as compared to \$26.1 billion in 1981. For the first time in history, Japan has surpassed the United States in per capita national income and has occupied the first position in trade in ASEAN countries, driving the United States to second place.

With a total federal debt of \$2,079 billion as of late 1986, the Reagan administration is no longer able to raise high its dollar stick to control the monetary system of its allies and to use as a tool of pressure to force its allies to submissively revolve in the political and military orbit of the new U.S. global strategy.

Fluctuating with its dollar, the U.S. economy and finance has continued to decline increasingly every day throughout the past 6 years and no ray of hope for revival has been seen. Such an unstable economic base has directly affected Washington's capability to carry out acts of intervention and aggression even at the hot spots in today's world.

According to the Western press, the U.S. military operations in the Mediterranean Sea against Libya in April 1986 -- from the battle exercise of the 6th Fleet off Libya to the air raid on the capital of Tripoli by F-111 aircraft -- cost the Pentagon approximately \$200 million. Meanwhile, the Pentagon and the CIA have to spend hundreds of millions of dollars just for U.S. intervention and sabotage operations against Cuba, Nicaragua, and other places.

The fact that the Reagan administration surreptitiously sold weapons to Iran to make profits to hand over to the Nicaraguan counterrevolutionaries through the intermediary of Israel suffices to indicate that the U.S. financial and economic problems during the post-Vietnam period continue to restrain the U.S. adventurous operations of intervention and aggression even in the form which Reagan calls conflict at low intensity.

In the economic domain, it is obvious that the United States still cannot extricate itself from the chains of the post-Vietnam period. In the past 6 years, the Reagan administration has plunged deeply onto the path of the nuclear arms race and has intensified its activities of intervention and aggression in the world in order to implement its new global strategy oriented toward the objective of pulling itself out of the post-Vietnam period and to build a new strategic stature.

However, these very warlike measures by Reagan are just like ricocheting bullets following the United States around in a dead-end tunnel. Reagan still has not seen the shade of the period following the post-Vietnam period but in front of the White House he has seen only banners bearing the words "Reagan, go back to your ranch" which are carried by large numbers of Americans who oppose the Irangate scam.

SRV LEADERS GREET INDIAN NATIONAL DAY

OW251618 Hanoi VNA in English 1450 GMT 25 Jan 87

[Text] Hanoi VNA Jan. 25 -- President of the State Council Truong Chinh and Chairman of the Council of Ministers Pham Van Dong today sent their warmest greetings to President Zail Singh and Prime Minister Rajiv Gandhi on the 37th National Day of the Republic of India (Jan. 26)

In his message to his Indian counterpart, President Truong Chinh said:

"We note with satisfaction that the friendship and multiform cooperation between Vietnam and India have been constantly strengthened and developed for the sake of the two peoples and for peace and stability in Asia and the rest of the world."

The message sent by Chairman Pham Van Dong to the Indian prime minister said:

"We are very glad to note that, over the past years, the Indian people under your dynamic leadership have recorded considerable achievements in various fields. The ever-stronger Republic of India is a very important factor ensuring peace and development in South Asia, Asia and the Pacific, and the world as a whole".

"India has made great contributions to the cause of the Non-aligned Movement, making it an important force in the international political life. We highly value India's peace initiatives and the New Dehli Declaration of November 1986, a programme of historic discussions reflecting the aspirations and will of mankind in the struggle for a nuclear weapon-free world without the use of force in international relations."

"The friendship and multiform cooperation between Vietnam and India which have helped increase the strength of each nation are of great importance to peace and stability in Southeast Asia and Asia as a whole."

On this occasion, Foreign Minister Nguyen Co Thach has extended his greetings to his Indian counterpart, Karanyan Datt Tiwari.

Indian Envoy Hosts Reception

BK270424 Hanoi Domestic Service in Vietnamese 1430 GMT 26 Jan 87

[Text] The Indian ambassador to Vietnam, Pushkar Johari, hosted a luncheon reception in Hanoi on 26 January to mark the 27th National Day of the Republic of India.

Attending were Comrade Nguyen Co Thach, member of the CPV Central Committee Political Bureau and minister of foreign affairs; and many other ministers and vice-ministers as well as representatives of various branches and sectors at the central level and in Hanoi. Also present were members of the diplomatic corps and representatives of various international organizations in Vietnam.

Speaking at the reception, Ambassador Pushkar Johari and Minister Nguyen Co Thach hailed the long-standing friendship between the peoples of India and Vietnam as well as their mutual sympathy, their constant solidarity, and their mutual support in the cause of national defense and national construction.

Ambassador Pushkar Johari and Minister Nguyen Co Thach wished that the close solidarity and the all-round cooperation between the two peoples will constantly be broadened and increasingly developed and that the two peoples will score more new successes in national construction and in the preservation of peace, thereby making contributions to the collective prosperity of the world and the region. They also wished good health for the leaders of the two states of India and Vietnam.

Dong Sy Nguyen Attends Meeting

OW242352 Hanoi VNA in English 1531 GMT 24 Jan 87

[Text] Hanoi VNA Jan 24 -- A meeting was jointly held at the municipal theatre this evening by the Fatherland Front Central Committee, the Committee for Solidarity and Friendship With Other Peoples and the Vietnam-India Friendship Association, to mark the 37th Republic Day of India (Jan 26).

Among those present at the meeting were Dong Sy Nguyen, member of the Political Bureau of the Communist Party of Vietnam Central Committee and vice chairman of the Council of Ministers; Pham The Duet, secretary of the CPV CC and acting president and secretary general of the Federation of Trade Unions, representatives of the sponsoring organizations, the Foreign Ministry, the Defence Ministry and various mass organizations. Indian Ambassador Pushkar Johari and many members of the embassy staff also attended.

After the opening speech by Dong Sy Nguyen, Minister of Public Health Dang Hoi Xuan, president of the Vietnam-India Friendship Association delivered the commemorative speech. Dang Hoi Xuan said:

"The peoples of Vietnam and India note with great joy that the friendship and cooperation between the two countries, so painstakingly cultivated and fostered by President Ho Chi Minh and Prime Minister Jawaharlal Nehru, have not ceased to strengthen and develop. Sharing the same goal of consolidating national independence and contributing to accelerating cooperation in the Asia-Pacific region, Vietnam and India have made great efforts (?to) intensively and extensively develop our bilateral ties in the interests of each country, for peace, security and cooperation in the region and the whole world.

Over the past years, the cooperation in industry, agriculture, science and technology...between the two countries has brought practical results. The recent official visit to Vietnam by the Indian minister for external affairs, N.D. Tiwari, has been a bright illustration of the close ties between the two fraternal nations, of the multi-faceted fruitful cooperation between Vietnam and India as well as the wholehearted assistance India has accorded to Vietnam. The Vietnamese people express their profound gratitude to the government and people of India for their valuable support and assistance, and wish the Indian people new and still greater achievements and constant heightening of its important role in the consolidation of the Non-aligned Movement, and the strengthening of world peace."

In his reply, Ambassador Pushkar Johari said:

"Vietnam and India have enjoyed historic ties over the centuries and these ties were reaffirmed by the late President Ho Chi Minh and the late Prime Minister Jawaharlal Nehru after the two nations gained freedom from colonial rule. Indeed the two leaders had established contacts even when the two peoples were still under foreign rule, and these contacts were to form the basis of a solid and lasting relationship upon which successive generations have continued to build. The very warm and affectionate welcome given to our Prime Minister Shri Rajiv Gandhi in November 1985 by the leaders and the people of Vietnam was evidence of the strong bonds of friendship between the two countries. The significance attached by our countries to that visit demonstrated the shared desire of both countries to work together for mutual benefit.

"The recent visit of the external affairs minister of India to Vietnam from January 9-12, 1987, is yet another indication of the great importance that India attaches to its friendship with Vietnam. His cordial discussions with the minister of foreign affairs of Vietnam and other senior party leaders have shown that we have similar views on major international issues and has emphasised the shared desire of both countries to strengthen even further, our warm and fraternal ties.

The agreements on credit and oil exploration which were concluded during the visit are a manifestation of the seriousness of both Vietnam and India to widen their bilateral cooperation for mutual benefit. We attach the highest importance to the promotion of this cooperation and are confident that in the year ahead of us, the governments of the two countries will work together to put the recently concluded agreements into practice."

PHAM HUNG LETTER TO CUSTOMS NOTES WEAKNESSES

BK240740 Hanoi Domestic Service in Vietnamese 0500 GMT 23 Jan 87

[Text] In 1987, the customs sector will strive to thoroughly understand the renovating spirit of the sixth party congress resolution to handle its organization and activities, and deal with the problems related to customs. It will closely watch and practically serve the party's three major economic programs, be permanently aware of the preventive viewpoints in customs operations, strenuously overfulfill the regulation norm for contributions to the state budget, continue the campaign to make its forces strong and firm, intensify coordination with various sectors and the people, and help to victoriously implement the sixth party congress resolution.

On the occasion of a conference held by the sector to discuss its guidelines, tasks, and duties for 1987, Comrade Pham Hung, member of the party Central Committee Political Bureau, and vice chairman of the Council of Ministers, sent a letter to commend the customs sector for its achievements and progress. At the same time, he pointed out shortcomings to be resolutely overcome by taking the following actions:

- Conduct basic and advanced cadre training intensively,
- Build strong and firm forces,
- Gradually enhance the quality of work and technical equipment of the sector and,
- Be a real semi-armed tool of dictatorship for the party and the state.

He repeatedly urged the customs sector cadres and combatants to thoroughly understand and scrupulously implement the sixth party congress resolution and the 1987 State Plan in order to help victoriously implement the party's three major economic programs.

VAN TIEN DUNG EULOGIZES DINH DUC THIEN

BK260724 Hanoi Domestic Service in Vietnamese 1100 GMT 25 Jan 87

[Text] On 23 January, the ceremony to pay last respects to Comrade Colonel General Dinh Duc Thien was solemnly held at the Army Club in Hanoi. Comrade Nguyen Van Linh, general secretary of the party Central Committee, paid homage to the late vice minister of defense and laid a wreath bearing the words: With boundless grief for Comrade Colonel General Dinh Duc Thien.

The delegations of the party Central Committee, the National Assembly, the Council of State, the Council of Ministers, the Military Commission of the party Central Committee, the Ministry of National Defense, the VFF Central Committee, and various organs and mass organizations at the central level and in Hanoi and many other localities also paid floral tributes to Comrade Colonel General Dinh Duc Thien and expressed condolences to his family. Also present at the ceremony were the diplomatic corps and military attaches to the embassies of various countries in Hanoi.

The memorial and burial service for Comrade Dinh Duc Thien was solemnly held at 0800 [0100 GMT] sharp on 24 January. Senior General Van Tien Dung, member of the party Central Committee, secretary of the party Central Committee Military Commission, and minister of national defense, delivered the funeral oration recalling the incessant revolutionary activities of Comrade Dinh Duc Thien over the past half a century. He said: Through many crucial ordeals and great difficulties, Comrade Colonel General Dinh Duc Thien always exhibited a shining example in his boundless loyalty to the party, country, and people; in his indomitable and stalwart revolutionary fighting will and high sense of responsibility before all assigned duties; in his simple, crystal, and honest life; and in his exceptionally warm affection for all cadres and combatants.

With boundless grief, many party, state, and military leaders, delegations from the Army and various organs, friends, relatives, and family members of Colonel General Dinh Duc Thien accompanied him to his last resting place at the Mai Dich Cemetery.

AQUINO ASSURES COUP SITUATION 'IN HAND'

HK270645 Quezon City Radyo ng Bayan in English 0620 GMT 27 Jan 87

[Speech to the nation by President Corazon Aquino, on 27 January, place not given -- recorded]

[Text] The situation is well in hand. People should keep calm. Our troops, responding with exemplary speed, thwarted the attempt of certain groups of misguided military personnel to seize key installations. We have captured most of the perpetrators. They are now detained and are under interrogation. We have secured the installations they targeted, Camp Aguinaldo, Sangley Point, Fort Bonifacio, and Villamor Air Base, where there was a brief fire fight that took the life of one rebel soldier and wounded seven others. That base is now secured.

Their attempt has failed. While these elements were able to take Channel 7, the station is now surrounded by our troops. The rebels are strongly urged to surrender. Their situation is hopeless. Every moment of delay merely compounds the gravity of their crime. We have reports that a loyalist crowd is massing outside Channel 7 to show support for the rebels inside, and that our people have also started to gather there.

I urge everyone to leave the area and go back to work or stay at home. But anyway, I urge our people to leave. There may have to be intensive military operations around Channel 7. Do not stay in the area, or you will be hurt.

This attempt reflects the inability of some elements both in the military and in the civilian sector to face the fact that civilian government is here to stay, and that nothing will derail our efforts to establish full constitutional democracy in the coming plebiscite.

Let me make myself clear on this matter. We shall not treat this like the Manila Hotel incident. I have ordered the chief of staff to proceed against the officers responsible for this act of rebellion in accordance with the manual of courts martial. The full force of the law will be applied to everyone, civilian or military, who is implicated in this crime. I have ordered their arrest and detention.

There is a time for reconciliation and a time for justice and retribution. That time has come.

RAMOS SAYS SITUATION 'FULLY UNDER CONTROL'

HK270143 Baguio City Mountain Province Broadcasting Company in English 0129 GMT 27 Jan 87

[Text] [Station Announcer] Defense Minister Rafael Ileto has been assessing the situation, and here we now have General Ramos on a feed from Manila:

[Begin recording] ... All throughout, and has secured all the military installations, public utilities and government centers. The new AFP [Armed Forces of the Philippines] is fully in support of the government of President Aquino. Let me repeat: The Armed Forces and the Integrated National Police are fully in control of the military situation and are in support of the government of President Aquino.

At 6 o'clock this morning I reported to President Aquino that the situation is fully under control in metro Manila and the 12 other regions throughout the country. Her presidential security group has been kept informed since the crisis started early this morning, and likewise Minister of National Defense Rafael Ilete has been informed of the situation. The Marcos loyalist group managed to take over TV Station 7 and DZBB. But in turn these have been surrounded and neutralized by troops of the Capital Regional Command. A rebel loyalist group, numbering about 70, attempted to take over the Villamor Airbase operations center and the Kalayaan V.I.P. lounge at about 4 o'clock this morning, but they were thwarted in a firefight in which one was killed, 16 wounded and 52 surrendered, all on the rebel side.

A similar take over attempt was made at Sangley Air Station, the headquarters of the (?15th) strike wing of the Philippine Air Force. This included the ransacking of that unit's armory and the holding of two officers as hostages. But that situation was also placed under control by combined elements of the Philippine Air Force and the Philippine Navy, and the hostages have been released.

We appeal to our people to keep calm and to maintain their normal activities except in the Channel 7 and Horseshoe Village area of San Juan where some of these misguided elements are still reported roaming around. Let us all continue supporting our New Armed Forces, the Armed Forces of the people -- your Armed Forces -- and the government. Our paramount mission is to ensure public safety, to maintain law and order in defense of the integrity of our republic.

To the few military rebels holding out in Channel 7, DZBB and in other places in San Juan, Quezon City and elsewhere, let me tell you frankly and sincerely that there is no hope for your cause, whatever it is. It is a lost cause. Your companions in Sangley have been surrounded, and those in Villamor have surrendered. Your only honorable way out of this situation is to turn over Channel 7 and DZBB to the management without any damage, and yourselves to the commanding general of the Capcom [Capital Command] or his representatives. This way you shall avoid further anguish and suffering to yourselves, to your family and to our people. Thank you very much to you all. [end recording]

Situation Update; Hostages Released

HK270609 Quezon City Radyo ng Bayan in Tagalog 0533 GMT 27 Jan 87

[Text] Giving his second press conference today, General Fidel Ramos, chief of staff of the New Armed Forces of the Philippines, gives the latest developments with regard to what he calls an exercise in futility by some disgruntled factions of the military. Here is General Ramos:

[Begin recording in English] To give an update to our people and to the listening audience on the present situation in metro Manila, as well as in the rest of the country: As you know, we have aborted a military exercise attempted by some misguided officers and men of the armed forces. This was just a very, very small handful of people -- maybe about 300 or 400, roughly three-tenths of 1 percent of the strength of the Armed Forces as a whole.

In Sangley, at the air station there, which is the headquarters of the 15th Strike Wing of the Air Force, Brigadier General Generoso (Balikat), the commander of the 15th Strike Wing, and Colonel (Pistisan), his deputy, who were held hostage by Lieutenant Colonel Domingo Bayan, one of the officers of that wing, were released safely due to the negotiation efforts of Brigadier General Antonio (Sotelo), commanding general of the Philippine Air Force. (Sotelo) has reported that these main officers are now back at Air Force headquarters at Villamor Airbase in Pasay.

Meanwhile Colonel Abelardo de Dios, the number three man in the strike wing, has reported that he has established control over the situation at the Sangley Air Station and he is being assisted by Brigadier General (Genoso Protacio), the Philippine Air Force chief of staff, in regard to the [word indistinct] surrender of Col Bayan, who is still holding out with a handful of men.

On the Navy side of Sangley, which is the big naval base, [words indistinct] flag officer in command of the Philippine Navy, has been able to cordon off the Sangley Air Station, so that [passage indistinct]. [end recording]

Channel 7 Negotiations Continue

HK270431 Quezon City Radyo ng Bayan in Tagalog 0413 GMT 27 Jan 87

[Text] [Announcer] We now have another report from Channel 7. On Line 4 here is Rudy Santos:

[Santos] I am here in front of Channel 7, where there has been some trouble -- stoning between the two factions, the pro-Cory and the Marcos loyalist group. Three army trucks with soldiers wearing white handkerchiefs on their left sleeves have sealed off the area while negotiations are going on inside the building. We talked to the people around the doors of Channel 7 and they say they will stay where they are and they say they should not be provoked.

We have also seen Butz Aquino arrive. He has been looking over the situation, and he says the government has the situation fully under control.

Colonel (Tinio) is here as well as Quezon City Mayor Jun Simon, who [words indistinct] Welfare Council. Also here is [words indistinct] Rodolfo Garcia, wearing a yellow T-shirt reading "We are very much yes."

On the left of Edsa [Epifanio Delos Santos Avenue] by the trees, near the Samar Street area, the Marcos loyalists have set up barricades.

Meanwhile, negotiations are going on inside the Channel 7 building.

Earlier there was a report of a tank allegedly belonging to the Philippine Army appearing on the scene. However we did not know where the tank came from -- whether from the rebel soldiers or from the New Armed Forces of the Philippines.

The actual report was that an armed personnel carrier showed up in the midst of the Marcos loyalists -- This is why it was earlier believed that the vehicle belonged to the Marcos loyalists. It parked in front of Channel 7 for some 15 minutes, while the commanding officer of the armed personnel carrier carried on a dialogue with the crowd. Later the vehicle moved on and stopped by the crowds making up the pro-government faction. So it was actually a government vehicle.

So at the moment talks are going on between the rebel soldiers and officers of the New Armed Forces of the Philippines.

Rebels Remain Barricaded

HK271257 Hong Kong AFP in English 1247 GMT 27 Jan 87

[By Cecil Morella]

[Excerpts] Manila, Jan 27 (AFP) -- Government troops Tuesday thwarted a mutiny by troops loyal to ousted leader Ferdinand Marcos, President Corazon Aquino said, but about 200 rebels remained barricaded in a television station here.

Mrs Aquino, in a televised address, called on the rebels to surrender or face a military assault, but did not set a deadline. She said that "misguided military personnel" had targeted key installations, including four military bases, but that the situation was "well in hand."

Armed Forces chief Fidel Ramos said one rebel was killed, 16 were wounded and 52 captured in clashes early Tuesday at Air Force Headquarters at Villamor Airbase near Manila Airport.

Police said seven people were hurt in clashes between rival groups of Aquino and Marcos supporters surrounding the television station.

Defense Minister Rafael Ilete said the rebellion involved 400 troops, and that electricity had been cut off to television station GMA-7 where about 200 of the rebels were holding out. [passage omitted]

Justice Minister Neptali Gonzales said that "one general and some colonels" were among 18 officers identified as leaders of the rebellion, the most widespread military uprising since Mrs Aquino came to power 11 months ago.

Mrs Aquino said the rebels attacked the Sangley Point Navy facility south of here, and planned to hit the Armed Forces and Defence Ministry headquarters at Camp Aguinaldo and Army headquarters at Fort Bonifacio.

In Sangley Point, rebels apparently seeking to seize helicopters and fighter-bombers took a general and a colonel hostage, a military spokesman said. The two officers were released unharmed after seven hours, he said.

Military spokesmen said 38 soldiers from Fort Magsaysay, north of here, were intercepted by security forces on the way to Manila.

About 100 other soldiers from the same fort were captured trying to enter Camp Aguinaldo, they added. The only casualties in fighting between rebels and government troops were from the clash at the Villamor Airbase.

Another spokesman said the Army was checking reports that six tanks and 1,400 soldiers were headed toward Manila from Cabanatuan City, north of here, but that it was not clear whether they were rebels or government troops. [passage omitted]

General Ramos reaffirmed his loyalty to Mrs Aquino and said most of the rebels were neutralized early in the day. The rebels at GMA-7 were surrounded by hundreds of heavily-armed government troops and police who sealed Marcos and Aquino supporters off the street in front of the two-storey building. Rebels lounged on the roof, munching on sandwiches brought by supporters, while others walked in full view of government troops on the other side of the compound's wire fence. Some wore headbands identifying them as members of the "guardians", a military fraternity involved in a coup attempt in July by Marcos supporters. The rebels released three security guards and two children late Tuesday, witnesses said. One of the guards told reporters that more than 20 GMA-7 employees were still being held inside the station. He said they had been well-treated. One rebel, who identified himself as "Commander Buhawi", told reporters inside the rebel-held compound that they were not against Mrs Aquino but opposed communism and the current cease-fire with the communist insurgents.

Retired General Antonio Villanueva, who held talks with the rebels, said they had complained about Gen Ramos saying they were "Marcos loyalists". Marcos supporters here said the rebels were their allies and that "something bigger" was going to happen.

The rest of the sprawling city seemed unaffected by the GMA-7 siege, but military bases were under guard and government employees were sent home early. [passage omitted]

NDF LAWYER SAYS NEGOTIATIONS 'CANNOT RESUME'

HK261221 Manila THE MANILA CHRONICLE in English 25 Jan 87 p 3

[Text] Negotiations between the National Democratic Front [NDF] and the government, suspended last Jan. 22 because of the Mendiola massacre, cannot resume because the NDF cannot negotiate with "one party not in control of the situation," one of the two NDF lawyers said today.

Arno Sanidad also said the government panel had admitted Jan. 23 that it could no longer guarantee the safety of the NDF negotiators and their escorts.

Sanidad told the PHILIPPINE NEWS and FEATURES that "it (NDF panel) cannot anymore continue at the negotiating table, but will still abide by the ceasefire agreement. However, it reserves the right to defend itself."

Sanidad also explained that "the panel has already left Manila not only because its security is in danger, but also because it would be an ironic situation to negotiate with one party not in control of the situation," apparently referring to the Aquino Government.

The lawyer said the NDF panel composed of former journalists Antonio Zumel, Satur Ocampo and Carolina Malay, "had gone back to the people, with whom their safety is assured."

Sanidad also dismissed as a "blatant lie" an earlier accusation of government negotiator Teofisto Guingona that NDF complaints of ceasefire violations by government were mostly "generalities."

He specifically mentioned the denial by Armed Forces Chief of Staff Gen. Fidel Ramos that he had issued guidelines of the ceasefire without the consent of government negotiators. "The record speaks for itself," Sanidad said.

DIOKNO RESIGNS FROM GOVERNMENT PEACE PANEL

HK240446 Baguio City Mountain Province Broadcasting Company in English 0330 GMT 24 Jan 87

[Text] Maris Serena Diokno yesterday resigned from the government peace panel. Diokno resigned from her post in view of the Mendiola incident and the government inaction on the land reform program, the NDF [National Democratic Front] [word indistinct] that resulted at the National Press Club yesterday. Observers said the NDF leered out the [word indistinct] the other night following the announcement that the peace talks have indefinitely been suspended.

CEASE-FIRE CONTINUES DESPITE TALKS SUSPENSION

HK231320 Manila MANILA BULLETIN in English 23 Jan 87 pp 1, 5

[By Rod L. Villa Jr.]

[Text] Government and National Democratic Front [NDF] leaders abruptly suspended the peace negotiations last night.

Leaders of both panels said they agreed to suspend the negotiations indefinitely due to "confirmed reports" of a coup d'etat plot that included the assassination of the peace negotiators.

Chairman Teofisto Guingona Jr. of the government and Satur Ocampo, speaking for the NDF, however, said the ceasefire holds up to the agreed date of Feb. 7.

The two said last night that the tense atmosphere has not made continuation of the talks propitious at this time.

Guingona said both panels have agreed to "keep the lines of communications open." Ocampo laid responsibility on the government to take the initiative for its resumption.

Guingona said the suspension period will enable the government to respond to "serious charges" contained in an NDF letter to President Aquino charging the military with "bad faith" by continuing violations of the truce agreement.

The NDF charged that the military operations have intensified during the truce period, including troop movements around rebel strongholds and violent incidents that have resulted in 22 killings.

Guingona said there is "sufficient basis to believe reports that forces outside the control of the state have set into motion a plot to destabilize the government."

"The lives of those in the negotiation panel are in peril," he said.

The chief government negotiator said the state has taken measures to stand on guarantees it made on the immunity and safety of the NDF leaders and their followers involved in the peace process.

During a tense two-hour closed-door session, Guingona said the rebel leaders complained that their security was threatened.

He said the destabilization plan included the disruption of the peace negotiations.

Guingona said the killing of peasant demonstrators in Manila was "saddening and deplorable" and should be immediately investigated.

The rebel leaders condemned the killing as part of a series of acts of "bad faith" on the part of the armed units of the government.

They said it may not be necessary for them to return to the underground but they held the government responsible in guaranteeing their lives and their security and those of their staff members in the talks.

Both sides stressed the peace negotiations have not collapsed and the ceasefire agreement should be respected. They said extension of the truce would depend on later developments but Ocampo said it should at least be allowed to run its course.

The rebel leaders said orders have been given to the New People's Army and other rebel armed units to take defensive action in the event of an attack by any hostile forces.

Ocampo and Zumel said the attack could come from the military, the Civilian Home Defense Forces, and other armed elements in and outside of their control.

In their letter to Mrs Aquino protesting truce violations, the NDF condemned the ceasefire guidelines which, they said, were issued in "bad faith" by Gen. Fidel V. Ramos, New Armed Forces chief of staff.

Out of the these guidelines, the rebels said, most of the arrests, killings, food blockades, and other acts of harassment and other forms of truce violations were committed by soldiers against members of the revolutionary movement.

They condemned continuing military operations in Mindanao, the Cordilleras, and Southern Luzon which, so far, have resulted in 22 deaths and injuries to many civilians, they charged.

"It has become impossible for the Front to continue negotiations until a resolution is formally made by the government to discontinue these operations designed to decimate the rebel movement," Ocampo said.

CHAIRMAN, MEMBERS OF HUMAN RIGHTS BODY RESIGN

HK260845 Manila THE MANILA CHRONICLE in English 25 Jan 87 pp 1, 3

[By staffers Malou Mangahas and Martites Sison]

[Text] The chairman, three members and secretary of the Presidential Committee on Human Rights (PCHR) resigned their posts Friday in the wake of the violent dispersal last Thursday of a farmers' rally on Mendiola that killed 18 and injured 50 other persons.

Those who quit their posts were former Sen. Jose W. Diokno, chairman; former Supreme Court Justice Jose B.L. Reyes, Zenaida Quezon Avancena, and Sister Mariani Dimaranan of the Task Force Detainees-Philippines, members; and Antonio Quintos, secretary.

In a three-paragraph letter submitted to President Aquino Friday afternoon, the officials, who had been appointed to investigate violations of human rights by the deposed Marcos regime, noted that the Aquino government's "pronouncements for human rights have not been validated by its action on certain incidents."

The resignation came after another Government official, Diokno's daughter Maria Serena, also quit her post as negotiator for peace with the insurgent National Democratic Front (NDF). Ms Diokno had said that with what happened on Mendiola, she found it difficult to reconcile her personal beliefs with the Government's actions.

Those who did not sign the PCHR's resignation letter were members Abelardo Aportadera and William Claver. Claver, who is based in Northern Luzon, failed to attend the meeting on the matter called Friday morning by Sen Diokno at his home.

Aportadera told the 'CHRONICLE' yesterday a different story. He said the PCHR officials had planned to resign over the Mendiola incident but later agreed to defer action pending a consultation meeting with Mrs Aquino.

He said "no collective consensus" was reached and the PCHR members felt "we owe the President an explanation, so the committee decided to defer its decision."

The military's representative to the PCHR, Brig. Gen. Samuel Soriano of the Judge Advocate General's Office, was not present at the meeting at Diokno's house and is apparently unaware of his colleagues' resignation.

Apportadera said the PCHR officials felt "we had our shortcomings as a committee because we felt the Mendiola incident could have been avoided." To the carnage, the committee's reaction was one of condemnation, he said. But he added that "we are not about to blame anyone."

However, Sister Mariani told the 'CHRONICLE' that the PCHR believes the president could take "more decisive action" over the Mendiola incident. She said proposals of groups involved in the case, such as the rally organizer, Kilusang Magbubukid ng Pilipinas [Peasants Movement of the Philippines] should be considered. The PCHR members also intend to discuss other proposed measures with the President if she would meet them, the nun said. Since Thursday, Sister Mariani's TFDP [expansion unknown] personnel had been working 24 hours a day to attend to cases of at least 50 persons injured, 40 others missing and 18 killed in what has been called the Mendiola massacre.

The PCHR members were awaiting notice for a meeting with Mrs Aquino last night or today.

Months after the PCHR was convened in March 1986, the committee proposed to Mrs Aquino the repeal of repressive decrees of the old regime, and the phaseout of military tribunals trying national security cases. Last December, Sen. Diokno also asked the release of alleged Communist Party chairman Rafael Salas who had been refused bail because of a Marcos decree which sets capital punishment for national security offenders.

Last night, Executive Secretary Joker Arroyo confirmed that the PCHR officials had submitted a resignation letter. He refused to comment saying he had not read the letter.

SOVIET ENVOY CALLS ON U.S. TO DISMANTLE BASES

HK220917 Manila MANILA BULLETIN in English 22 Jan 87 pp 1, 11

[By Olaf S. Giron]

[Text] Soviet Ambassador Vadim Shabalin, expressing support for a nuclear-free zone in Southeast Asia, called on the United States yesterday to dismantle its bases in the Philippines and reduce its armaments and armies in Asia.

Shabalin told a press conference that the Soviet Union maintains ballistic missiles only on Soviet territory but, he hastened to add, "there is no single point in the globe that cannot be reached by Soviet or U.S. missiles."

This is the reason the Soviet Union has proposed a stage-by-stage nuclear disarmament, he said.

"The whole human race is facing annihilation. This is the tragedy of our age," the envoy added.

Shabalin said Moscow is prepared to carry out negotiations and conclude an agreement with the U.S. on ridding the world of nuclear weapons by the beginning of the next century.

On the issue of repairing Soviet ships in the Philippines, he pointed out that if the country is not interested in accepting this business, the USSR Government will turn to other countries.

There is only one instance where a Soviet commercial ship was repaired and this was in Bataan.

The Ministry of Foreign Affairs has stated that the Philippine Government would accommodate requests for ship repair on a case-to-case basis.

Shabalin also denied that the Soviet Embassy has exceeded its quota of 35 staff members, saying a doctor who visited the embassy has left. He added that an engineer is here to oversee construction of the three-story Soviet building in Forbes Park.

The building, he stressed, was erected based on a permit granted by the Philippines Government.

On the unloading of Soviet fertilizer in Poro Point, San Fernando, La Union, Shabalin said the Philippine Atomic Energy Commission (PAEC) checked the commodity before it was removed from a Soviet ship.

A farmers' federation had urged government authorities to investigate the shipment on suspicion that the fertilizer was contaminated in the Chernobyl nuclear plant explosion early last year.

A farmer had complained that after he applied the urea fertilizer, her vegetable crops became yellowish after two weeks and died. The Fertilizer and Pesticides Authority has been asked to investigate the case.

COLUMNISTS ASSAIL 'CURTAILMENT' OF PRESS

HK190317 Hong Kong AFP in English 0309 GMT 19 Jan 87

[Text] Manila, Jan 19 (AFP) -- Columnists of major newspapers here assailed the government of President Corazon Aquino for its growing curtailment of the press at a breakfast forum here Monday.

Cited as cases of the government actions against the press were the refusal of government television to air former Defense Minister Juan Ponce Enrile's appearance in the same breakfast forum last week and the moves by a government agency to close down an anti-government newspaper for losing money.

Teodoro Valencia, a former columnist of the beleaguered DAILY EXPRESS, which the government is closing on the grounds that it is losing money, denied that it was suffering a loss and said it was being threatened because of its anti-government articles.

The government agency seeking its closure asserts that the EXPRESS is losing money and that the newspaper's owner, Roberto Benedicto, a supporter of deposed strongman Ferdinand Marcos, has outstanding debts with government banks.

Francisco Tatad, columnist of the economic tabloid, BUSINESS DAY and an ally of Mr. Enrile, also accused the government of using pressure to force a foreign news media to cut off its contacts with a local mediaman on the grounds that the mediaman was a spy of Mr. Marcos but did not elaborate.

Presidential Counsel Rene Saguisag, however, denied that the government was expanding its control over media and cited the telecast over a private channel of the forum with Mr. Enrile after the government channel refused to air it.

He also said that the closure of the EXPRESS was among the issues to be taken up by the government and the representatives of Mr. Benedicto, who were currently negotiating over Mr. Benedicto's properties which were seized by government on the grounds that they were ill-gotten.

Respect for Press Freedom Reaffirmed

HK191022 Quezon City Radyo ng Bayan in Tagalog 0900 GMT 19 Jan 87

[Text] The government will preserve freedom of expression in the country and will not file charges against journalists. This was the assurance given by Presidential Legal Adviser Rene Saguisag at the Kapihan sa Maynila [Manila Coffeeshop] at the Manila Hotel this morning. For the details, here is a report by Glo Custodio.

[Begin recording] Saguisag explained that in spite of the beliefs of some government officials and newspapermen, the present administration is not curtailing freedom of the press and in fact, is taking steps to preserve it. He also said that what took place in the previous regime where journalists became victims of harassment due to their role as officials of the government will not be repeated.

Meanwhile, veteran columnist Teodoro Valencia said that press freedom is a right that should never be curtailed. As for the impending closure of THE DAILY EXPRESS at the end of this month, Valencia added that the reported insolvency of the newspaper was [words indistinct]. According to him, (if it is to be compared with other newspapers) THE DAILY EXPRESS was able to win respect and credibility in only a month. [sentence as heard]

According to Neal Cruz, former managing editor of THE DAILY EXPRESS, the Presidential Commission on Good Government [PCGG] was not able to prove that this paper was being run on the ill-gotten wealth of Roberto Benedicto. Cruz also said that Benedicto should be allowed to return and be asked to confirm whether the paper was his or not. Cruz added that THE DAILY EXPRESS started to lose money when the PCGG intervened and caused it to lose advertisers.

Saguisag stated that he would bring up THE DAILY EXPRESS case in the cabinet meeting to be held this Wednesday. [end recording]

National Press Club Statement

HK170909 Manila THE NEW PHILIPPINES DAILY EXPRESS in English 15 Jan 87 pp 1, 2

[Excerpts] [Passage omitted] The National Press Club [NPC] board, breaking its silence on the EXPRESS case, issued yesterday a statement expressing grave concern for what it said was the "continued and deepening involvement of the government in media, particularly the PCGG [Presidential Commission on Good Government], government financial institutions, and the Office of the President itself." It called the announced closure of the EXPRESS as "the most recent and blatant example of government involvement in media." The Philippine Sportswriters Association [PSA] also released a statement supporting the EXPRESS. [passage omitted]

The PSA, in its statement, said:

"The government has nothing to gain and a lot more to lose in credibility with the PCGG's action on the DAILY EXPRESS.

"The picture drawn is that of a poor sport holding the upperhand and its advantage ruthlessly. In the present political arena, this can be taken as the best example of the winner kicking the one who's down."

The NPC statement follows in full:

The National Press Club expresses grave concern over the continued and deepening involvement of the government in the media, particularly of the Presidential Commission on Good Government, government financial institutions, and the Office of the President itself. The announced closure of the PHILIPPINES DAILY EXPRESS by its new PCGG nominated board constitutes the most recent and blatant example of government involvement in media operations.

Whatever may be the reason for the impending closure of the EXPRESS, be it political as suspected or economic as claimed, the stark fact remains that public officials are now treading over what should otherwise be purely private business operations. The National Press Club cannot but be alarmed over the apparent desire of PCGG commissioners and executives as well as known friends and supporters of the Aquino government to have themselves nominated or appointed to the private management boards, especially in media.

The NPC is aware that these are not normal times and that the present dispensation has bestowed awesome powers to government bodies. The PCGG, it must be granted, has been given broad prerogatives in its pursuit of ill-gotten wealth.

But the PCGG's wealth-recovering activities in the media have spawned an alarming situation wherein government control -- directly, as in the case of the EXPRESS or, indirectly as in the case of the MANILA BULLETIN -- is put to bear on the press, despite official pronouncements and rhetoric to the contrary.

It will be recalled that at the assumption of the Aquino Government, the public was assured that the PCGG would only look after the assets of suspected cronies pending legal adjudication of the cases. But the past developments have chillingly demonstrated how thin the dividing line is between "preventing the dissipation of assets" and media management by the government. Considering the slow pace by which the PCGG has been plodding along in its ill-gotten wealth cases, the NPC is apprehensive that public officials in sequestered media might become in the long term "media managers."

Thus, in the case of the closure-decision on the EXPRESS, it is difficult to remove the suspicion that the act was politically inspired, considering the critical stance of the paper vis-a-vis the present government and the proximity of the plebiscite on the proposed Constitution.

Meanwhile, media workers particularly in the sequestered print and broadcast agencies, are faced with the prospect of being eased out of the profession they have sought to serve well. The NPC believes that we cannot even begin to talk of press freedom, much less claim it has been restored, until the government and the PCGG settle immediately what they feel they have to do to recover ill-gotten wealth and finally get out of media management.

Supreme Court Upholds Closure

HK161601 Manila MANILA BULLETIN in English 16 Jan 87 pp 1, 16

[Text] The Supreme Court upheld yesterday the decision of the new management of the PHILIPPINES DAILY EXPRESS to stop the publication of the paper on or before Jan. 31, this year. The high court adopted the position of the Office of the Solicitor General (OSG) that the shutdown was necessary "to prevent further dissipation of assets and to stop the bloodletting to the tune of P1.5 million each month."

Solicitor General Sedfrey A. Ordonez, in his oral arguments earlier, said the takeover of the EXPRESS did not infringe on press freedom.

The Presidential Commission on Good Government (PCGG) had assumed control of the morning daily with the consent of a majority of the paper's old board last Jan. 2. Ten days later, it announced it would stop publication.

Ten justices led by Chief Justice Claudio Teehankee voted for closure, while three justices voted against.

The new management of the EXPRESS is composed of eight representatives from the PCGG and three from former Ambassador Roberto S. Benedicto, the majority stockholder. The EXPRESS employees and five minority stockholders questioned the new management's takeover in a petition they filed before the Supreme Court. Through their union, the employees invoked press freedom in their petition, saying that the press cannot be free when there is government control.

They asked the Supreme Court to issue a temporary restraining order (TRO) to stop the takeover and prevent the closure of the paper's publication by the end of this month.

The high court heard the arguments of both parties yesterday.

The new management of the EXPRESS was represented by Solicitor General Ordonez, assistant solicitor General Eduardo Montenegro, and Solicitor Ramon Desuasido.

The EXPRESS employees, on the other hand, were represented by lawyers Perfecto Fernandez, Jose Fernandez, and Pacifico Agabin.

Benedicto was represented by lawyer Eleazar Reyes who is also the former ambassador's attorney-in-fact.

Fernandez told the court that the closure of the EXPRESS would violate President Aquino's pledge to maintain freedom of expression and of the press. He said that the commission should not be a tool of Benedicto in bringing about the former ambassador's desire to close the paper.

On the other hand, Ordonez said that the PCGG decided to take over management of the EXPRESS to prevent further financial losses which, in 1986 alone, amounted to over P13 million. He said that the takeover did not violate press freedom.

According to Ordonez the decision to close the publication of the EXPRESS was based on sound business practice and in the interest of the government to protect public funds. The EXPRESS is heavily indebted to the Development Bank of the Philippines.

Thus, Ordonez said, the allegation of violation of press freedom is not tenable because the employees were merely concerned over the protection of their security of tenure.

Reyes, who represented Benedicto, told the court that the former ambassador, stockholder of the EXPRESS, agreed to have a new management for the EXPRESS, with two-thirds of the members of the board coming from the PCGG and one-third representing the former ambassador. He said Benedicto allowed the PCGG to determine which of his (Benedicto's) sequestered companies should continue operating. He admitted that the EXPRESS was "in a hole" because it incurred losses of about P13 million last year with a monthly cash deficit of about P1.4 million.

What kept the EXPRESS going was its collections of about P15 million from its receivables of P30 million and "the receivables are now down to P15 million which could be considered as bad debts."

Reyes confirmed to the court that he and Benedicto's two other nominees in the new management board had voted for the closure of the newspaper "and this was with the conformity of Benedicto because there was no way to keep the company going."

Aside from Teehankee, those who voted to deny the issuance of a TRO and, in effect, uphold the decision to close the publication of the EXPRESS were Justices Pedro Yap, Marcelo Fernan, Andres Narvas, Nestor Alampay, Isagani Cruz, Florentino Feliciano, Emilio Gancayco, Teodoro Padilla, and Abdulwahid Bidin.

Justices Ameurfina Melencio Herrera, Hugo Gutierrez Jr., and Edgardo Paras voted to issue a TRO. Gutierrez said since the EXPRESS is fourth in rank in terms of circulation, "it reaches a considerable portion of the population in terms of readership."

"I am disturbed by the timing of the closure. It seems to me that there was a plan because the closure came after the new board took over," Guiterrez said.

Justice Paras said that "if Benedicto cannot manage the company and the PCGG cannot manage to continue its publication, why not let the union do it?" Paras said he believes press freedom is involved in the EXPRESS case. He said that the PCGG should file as soon as possible the hidden wealth cases so that the issues affecting the EXPRESS can be resolved.

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